

Canyon Fuel Company, LLC
Dugout Canyon Mine
 P. O. Box 1029
 Wellington, Utah 84542
 (435) 637-6360 Fax: (435) 637-0108

28 June 2001

Ms. Pamela Grubaugh-Littig
 Utah Coal Program
 Utah Division of Oil, Gas & Mining
 1594 West North Temple, Suite 1210
 P. O. Box 145801
 Salt Lake City, Utah 84114-5801

Re: Response to Technical Analysis on Leach Field Addendum (A-1) to the Dugout Canyon Mine M&RP, Carbon County, Utah, ~~ACT/007/039~~ *AMOLA*

Dear Ms. Grubaugh-Littig:

Enclosed with this letter are the C1 and C2 forms and five copies of a permit modification application to the Dugout Canyon Mine's Mining and Reclamation Plan and Leach Field Addendum A-1. Three copies of pages with the modified text denoted with "redline/strikeout" marks are included. This application consists of modifications to the existing M&RP and Leach Field Addendum made as a result of the 14 May 2001, Division's Technical Analysis of CFC's initial submittal to include the leach field. The leach field is located 1.5 miles to the southeast on surface lands owned by the Bureau of Land Management.

Each book is divided into two tabbed segments. The first segment consists of those pages and maps that need to be replaced in the approved Mining and Reclamation Plan. The "redline/strikeout" pages are in front and are separated from the clean copies by orange sheets. The second segment consists of those pages and maps that need to be replaced in the Leach Field Addendum A-1. The "redline/strikeout" pages are in front and are separated from the clean copies by orange sheets.

Also, attached to this letter is a list of deficiencies the Division's noted during the review of our first Leach Field submittal and CFC's response to the deficiencies. Enough copies have been attached to be included with each of the five copies.

If you have any questions regarding this submittal, please call Gary Taylor at (435)448-2620.

Sincerely,

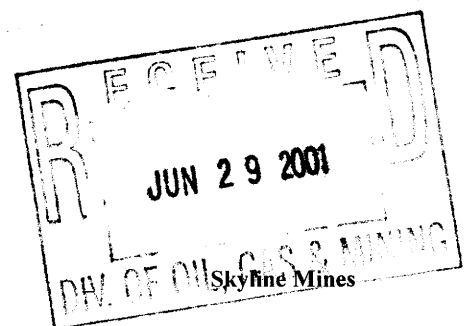
Gary E. Taylor
 Gary E. Taylor
 Sr. Environmental Engineer
 Canyon Fuel Company, LLC

Enclosures

cc: Steve Demczak, Price Field Office

SUFCO Mine

Soldier Canyon Mine/Dugout Mine



Response to Deficiencies

The deficiencies are described below and accompanied by a brief description of the response by CFC:

R645-300-120; R645-301-117.200, The permittee must update this section of the current MRP to include the proof of publication for the proposed leach field and pipeline.

The proof of publication is attached to be placed in Appendix 1-1.

R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115, The permittee must update the legal description and status of unsuitability claims in the MRP, (Chapter 1, pages 1-28 through 1-30 and Chapter 5, pages 5-14 and 5-35.

Pages 1-28 and 1-29 have been updated to include a change in the legal description.

Page 5-14 was updated to change the name of the road.

Page 5-38 was updated to include the construction and operation of the sewage system.

R645-300-132; R645-301-113, The information in the MRP is dated May, 1999 and needs to be updated in order to make a finding that neither the applicant nor any of its subsidiaries, affiliates or persons controlled by or under common control with the applicant has had a federal or state permit revoked or suspended or revoked, nor forfeited a bond in the last five years, and that there are no outstanding notices of violation.

Chapter 1 was updated to include the corporate structure of Canyon Fuel Company, LLC along with Arch Coal and its subsidiaries.

R645-300.100, Edit page 2-5 of the submittal to refer the reader to Section 222.400 for further information about subsoil segregation and edit page 2-3 to correctly state that seven-foot trenches will be dug.

Page 2-5 was corrected to state Section 222.400.

R645-300.100, Correct the page divider for the SCS Soil Description to read Attachment 2-2.

The page divider was corrected.

R645-300-243, The use of nitrogen and potassium fertilizer described in section 243 should be eliminated.

Page 2-10 was changed to remove the use of nitrogen and potassium fertilizer.

R546-301-112, The list of officers and directors and corporate structure of Canyon Fuel Company in the MRP need to be updated.

Chapter 1 was updated to include the corporate structure of Canyon Fuel Company, LLC along with Arch Coal and its subsidiaries

R645-301-116, The permittee must update this section of the current MRP to include the leach field and pipeline. When making adjustments to the MRP the permittee should take into account that typically a permit term is five years.

Section R645-301-116 of the approved M&RP was updated to state the sewage treatment system would be operated during the life of the mine. Also, the system will be reclaimed along with the mine site at the time of final reclamation.

R645-301-230, Describe the operational plan for laying the sewer line from the septic tank through the mine operations area to the Dugout Canyon road ditch.

Page 5-8 was updated to include the construction phases of sewer pipeline and leach field.

R645-231.100, Outline on a map the area of topsoil salvage and replacement and provide a figure in acres to topsoil salvage and replacement.

Page 2-4 was updated to include a description the dimensions of the topsoil stockpile. Page 2-8 was updated to show the area where the topsoil stockpile will be located and the dimensions of the stockpile.

R645-301-242.200, Rip the ground to a depth of eight inches after grading and before topsoil replacement.

Page 2-10 was updated to state that the ground would be ripped to a depth of 8 inches.

R645-301-244, Please obtain a permit from the County to burn vegetation. Please consider utilizing a portion of this scrubbed vegetation as mulch to protect the soil from wind erosion during plant establishment and for habitat creation.

Page 2-6 was updated to include burning or using the vegetation as mulch and wording was changed to state that a burning permit would be obtained.

R645-322, -301-333, -301-342, -301-358, Protection and Enhancement Plan, The permittee needs to revise the application to include a reference to the mitigation plan contained in Appendix 3-3. **Wetlands and Habitats of Unusually High Value for Fish and Wildlife**, The application needs to be revised to include a mitigation plan and habitats of high value for deer and elk for the proposed leach field site.

The permit has been revised to include a reference to the mitigation plan contained in Appendix 3-3. Also, a discussion has been presented in the text on page 3-3 of the leach field amendment concerning mitigation for wetlands and habitats of unusually high value for fish and wildlife within the leach field area.

R645-301-322, A current raptor survey that encompasses the area to be disturbed must be provided. Plate 3-2 of the current MRP should be revised to include the new survey, the proposed leach field and pipeline and a legend that defines EHWT, DHWT, EHYL and DCSU. Plate 1-4 or a different plate should be provided that accurately depicts the proposed disturbed area to an appropriate scale with accurate legend.

Plate 3-1 was updated to show the results of the 2001 Raptor Survey for Dugout Canyon Mine and the leach field area. The definitions of EHWT, DHWT, EHYL and DCSU were also added to the plate.

Plates 1-5 and 1-5a have been created to depict the proposed disturbance for the sewer pipeline beside the county road.

Page 3
Response to Deficiencies

R645-301-323, The proposed application and the approved MRP need to be revised to include Plate 3-1.

The proposed application has been revised to include Plate 3-1.

R645-301-330, -301-331, -301-322, Sections 232.600 and 333 of the application need to be revised to include Appendix 3-3 Section 3.1.1 of the approved MRP.

Sections 232.600 and 333 were updated to include a reference to Appendix 3.3, Section 3.1.1.

R645-301-333, -301-342, -301-358, Sections 333, 342 and 358 of the application must be revised to include Appendix 3-3 of the approved MARP or a mitigation plan.

Sections 333, 342 and 358 were updated to include a reference to Appendix 3.3, Section 3.1.1.

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change X	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/039
Title of Proposal: Response to Technical Analysis of Leach Field Construction Dugout Canyon Mine						Mine: Dugout Canyon
						Permittee: CANYON FUEL CO., LLC

Description, include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres x increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

☐ Attach **5** complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (B645-301-123)

R.W. Olsen REID OLSEN 6/27/01
Signed - Name - Position - Date

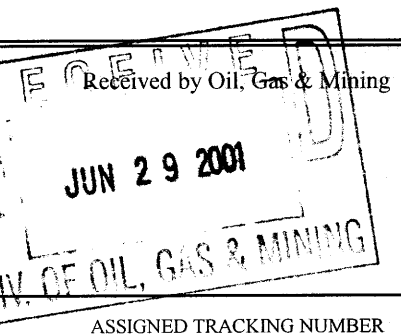
Subscribed and sworn to before me this 27 day of JUNE, 192001

Dionne M. Oman
Notary Public

My Commission Expires: 12-15-02
Attest: STATE OF Utah
COUNTY OF Carbon



DIONNE M. OMAN
NOTARY PUBLIC - STATE OF UTAH
891 NORTH 300 EAST
PRICE, UTAH 84501
COMM. EXP. 12-15-2002



Application for Permit Process

Detailed Schedule of Changes to the MRP

Title of Application: Response to Technical Analysis of Leach Field Construction Dugout Canyon Mine

Permit Number: ACT/007/039

Mine: Dugout Canyon

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED

<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Chapter 1, Pages 1-5 to 1-11
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Chapter 1, Pages -11a to 1-11qq
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Chapter 1, Pages 1-28 and 1-29
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Chapter 3, Page 3-21
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Plate 3-1
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Plate 3-2
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Chapter 5, Pages 5-14 and 5-35
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	MRP, Appendix 1-1, Affidavit of Publication
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Plate 1-4
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Plate 1-5
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Chapter 2, Pages 2-3 to 2-6 and 2-8 to 2-10
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Chapter 2, Pages 3-ii, 3-3 to 3-6, 3-8, and 3-13
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Chapter 4, Page 4-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Chapter 5, Page 5-8 and Attachment 5-2 Bond Calculations
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Chapter 6, Page 6-5
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Leach Field Amendment, Chapter 7, Page 7-2 and Attachment 7-1, 7-2
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